



DEPARTMENT OF THE NAVY
PERSONNEL SUPPORT ACTIVITY
937 NORTH HARBOR DRIVE
SAN DIEGO, CALIFORNIA 92132-0076

PERSUPPACTSANDIEGOINST 4200.1B

N8

30 April 1999

PERSONNEL SUPPORT ACTIVITY SAN DIEGO INSTRUCTION 4200.1B

Subj: GOVERNMENTWIDE COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

Ref: (a) NAVSUPINST 4200.85C
(b) PSASANDIEGOINST 4400.1D
(c) List of Prohibited and Special Attention Items Related to Purchase Card Buys

Encl: (1) PSD Internal Ordering Procedures for Use with the GCPC Program
(2) PSA Internal Operating Procedures for Use with the GCPC Program
(3) List of Prohibited and Special Attention Items Related to Purchase Card Buys

1. Purpose. To establish procedures, responsibilities and guidance per reference (a) regarding the use of the Governmentwide Commercial Purchase Card (GCPC) Program.

2. Cancellation. PERSUPPACTSANDIEGOINST 4200.1A

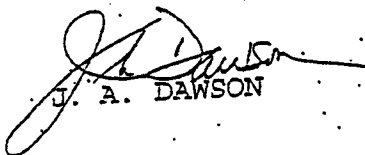
3. Scope. This instruction applies to procedures at PSA San Diego and its Personnel Support Activity Detachments (PSDs). Procurement authority using the purchase card is approved only for PSA.

4. Action

a. PSDs shall utilize enclosure (1) and reference (b) open purchase procedures to qualify for purchase card buys in the PSD's local area.

b. Enclosure (2) procedures shall be utilized by the PSA staff. Designated staff responsibilities are:

Head of the Activity (HA) - Commanding Officer
Agency Program Coordinator (APC) - Code N8
Approving Official (AO) - Code N8
Cardholders - Codes N64/N641
Designated Paying Office - DFAS San Diego Operating Location


J. A. DAWSON

Distribution:

PERSUPPACTSANDIEGOINST 5216.1J

**PSD INTERNAL ORDERING PROCEDURES FOR USE WITH
THE GCPC PROGRAM**

1. If an item not listed on enclosure (3) or carried as a bulk purchase item at PSA staff (such as rubber stamps, ribbons, toner, etc.) is available in your local area at a reasonable price, it may qualify for purchase with the purchase card. Reference (b) open purchase procedures and the following apply:

a. Supply Petty Officer requests estimate from at least two vendors for an item(s).

(1) For supplies not available through the Supply Stock System, GSA Customer Supply Center and/or Express Mart, input the request via the Supply Web site AUTOREQ under the Open Purchase Option and fax the estimates to PSASD Code N6.

(2) For equipment request or repair, estimates will be faxed to PSASD Code N64 and followed with an email from the OIC/AOIC to PSASD Code N6 and PSASD Code N64. Estimates must have at least the following information: Vendor's name, address, price quote, phone number and the contact person.

b. If you choose to have a purchase sent to you, the vendor must add the price of transit to the estimate. Since the vendor must prepay the charge from his/her end, this transaction may complicate negotiations by the designated PSA Cardholder handling your order. The vendor should not add sales tax unless you are in a state that requires the government to pay the sales tax.

c. With each subsequent use of the purchase card method, you may be asked to suggest other qualified vendors with reasonable quotes. If a vendor consistently gives high estimates, he may be eliminated from your list of contacts.

d. Once your request has been approved and the cardholder has taken the necessary steps to place the order with the contractor, documentation of the date and receipt of the correct material ordered must be immediately forwarded to the cardholder or notification made if there are any problems encountered with the order. **Failure** to comply in a **timely** manner may negate further use of the purchase card at your PSD.

**PSA INTERNAL OPERATING PROCEDURES FOR USE WITH
THE GCPC PROGRAM**

1. **GENERAL.** The Department of Navy has issued a Task Order (#0003) under the General Administration "SMARTPAY Contract" (#GS-23F-98006) to obtain purchase card services from CitiBank. These internal operating procedures provide guidance on the appropriate use of the purchase card by PSA San Diego personnel. PSA San Diego has been granted procurement authority to include the following:

- a. Establish a GCPC program and make micro-purchases from commercial sources using the card not to exceed \$2,500 per transaction.
- b. Place Type I oral/electronic delivery orders up to \$100,000 against fixed price indefinite delivery type contracts for supplies and services, GSA Federal Supply Schedules and other mandatory Government sources of supply. All purchases must be accomplished per FAR Part 13, DFARS 213, NAPS, NAVSUPINST 4200.94, the GSA Contract and this internal operating procedure. PSA San Diego Cardholders shall only use the purchase card for authorized purchases per this internal operating procedure.

2. **DEFINITIONS.**

- a. Agency Program Coordinator (APC). The individual designated by the Commanding Officer or Head of the Activity, who shall have overall responsibility for the management, administration and day-to-day operations of the purchase card program at the activity. This person is responsible for account maintenance and cardholder training.
- b. Approving Official. The individual responsible for reviewing and verifying the monthly purchase card statements of the cardholders under his/her purview. The approving official must verify that all purchases were necessary and for official government purposes in accordance with applicable directives. The approving official must also be the "Certifying Officer" for his/her cardholder(s) and in that capacity must certify the monthly billing statement and forward it to the appropriate office for payment.
- c. Billing Cycle. The billing cycle is the 30 day billing period that cardholders may use their purchase card. For DON, the billing cycle ends on the 21st of the month.
- d. Billing Cycle Purchase Limit. The spending limit assigned each cardholder's cumulative purchases and transactions within a given billing cycle.
- e. Bulk funding. An advance reservation of funds where a commitment or obligation is recorded in the aggregate rather than by individual transactions.
- f. Cardholder. Any "Government Employee" who is designated by the Head of the Activity or Designee to be issued a purchase card or purchase card account. The card bears this individual's name and shall only be used by this individual to pay for authorized U.S. Government purchases.
- g. Commonly Used Hazardous Materials. For the purposes of this instruction, "commonly used HAZMAT" means hazardous materials or products that are customarily sold to the general public, to be

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used for non-governmental purposes (commercial products), which are in the same size and packaging found commercially and subject to procedures found later in this instruction. Examples of those materials

or products include those required on a routine basis to meet daily operational needs such as lubricants, batteries, toner cartridges, detergents, etc.

h. Comptroller. Financial individual responsible for managing command funding. The Comptroller and APC should work together to ensure funds approval process is streamlined to the maximum extent practicable. In addition, the Comptroller and APC must coordinate efforts to establish account limits for Approving Officials and cardholders.

i. Credit Limit. The maximum dollar threshold assigned at the approving official/billing level limiting the amount an account can have outstanding at any one time. The bank automatically sets the amount at three times the corresponding billing accounts 30 day limit.

j. Disputes. Instances where the cardholder statements do not agree with entries in the log or retained receipts. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect or the quality or service is an issue.

k. Head of the Contracting Activity (HCA). The official at one of the 23 DON components listed at DFARS 202.101 and NAPS 5202.101 (e.g. COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.) who has overall responsibility for managing contracting authority within their contracting chain of command. They are responsible for the delegation, redelegation and use of contracting authority including use of the purchase card by DON commands, DON activities and DON personnel under his/her contracting cognizance.

l. Head of the Activity. For the purposes of this instruction, the Head of the Activity is the military officer in command or the civilian executive in charge of the mission of a DON command or activity which has been granted contracting authority by the cognizant HCA and who has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.

m. Merchant Category Code (MCC). A four-digit code assigned to a participating purchase card vendor based on their industry classification. Agency Program Coordinators can limit cardholder transactions by type of merchant by blocking out certain categories of vendors for use by activity cardholders.

n. Monthly Billing Statement. The monthly billing statement is the official invoice (for payment purposes) which is provided to the approving official. The billing statement identifies all of the purchase card transactions of his/her cardholders during a billing cycle.

o. Monthly Cardholders Statement. The statement of charges forwarded to the cardholder at the end of the billing cycle detailing all of the charges during that period.

p. Purchase Card. The purchase card is the "credit card like" purchase account established with the Bank that enables properly authorized Government personnel to buy and pay for mission requirements.

q. Purchase Card Log. A manual or automated log on which the cardholder documents screening for mandatory government sources and individual transactions using the purchase card. Entries in the "purchase card log" should be supported by internal Command documentation. The purchase card

documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained.

r. Services. For the purposes of this instruction, services are firm fixed priced (including unpriced orders with an established ceiling), non-personal, commercially available requirements in which we directly engage the time and effort of the contractor to perform a task (e.g. repairs, maintenance, annual maintenance agreements, etc.).

s. Single Purchase Limit. The dollar threshold assigned to each cardholder for a single purchase/payment action.

t. Reconciliation. The process by which the cardholder/approving official reviews their monthly statement, reconciles against available vendor receipts and purchase card log and authorizes payment of those charges provided on the monthly invoice.

u. Transaction Type. The transaction type is the method in which an order is placed when using the purchase card. Purchase card buys may be made over-the-counter, over-the-phone or via the Internet.

3. DESIGNATION OF OFFICES UNDER PSA SAN DIEGO PURCHASE CARD PROGRAM.

a. Agency Program Coordinator (APC): Comptroller (N8), (619) 532-3253, DSN 522-3253.

b. Approving Official (AO): Comptroller (N8), (619) 532-3253, DSN 522-3253.

c. Cardholders (C/H):

(1) Supply (N64), (619) 532-2776, DSN 522-2776 and

(2) Supply (N641), (619)-1534, DSN 522-1534

d. Designated Billing Office: Defense Finance and Accounting Service San Diego Operating Location.

4. TRAINING REQUIREMENTS.

a. Prior to the issuance of a purchase card, all prospective cardholders and approving officials must receive training in DON Policies and Procedures as well as local internal operating procedures. In addition, refresher training is required at least every three years for cardholders and others involved in the process to ensure compliance with purchase card policies, procedures and current internal operating procedures.

b. In addition, the APC, prospective cardholders and approving officials must successfully complete at least one of the following:

(1) Navy/Marine Corps Purchase Card Training & Interactive Customer Assistance CD ROM;

(2) Navy/Marine Corps Purchase Card Interactive Tutorial (Web-Based);

(3) NAVSUP Commercial Purchase Card Course for Micropurchasers; or

(4) A cognizant HCA approved purchase card course that contains the minimum requirements/curricula covered in the NAVSUP Commercial Purchase Card Course for Micropurchasers.

c. Individuals who have taken one of the following courses have satisfied the training requirements and are not required to complete any of the training discussed in paragraph (b) above.

(1) NAVSUP Simplified Acquisition Course;

(2) CON 101, Contracting Fundamentals or CON 202, Intermediate Contracting or equivalent predecessor courses.

d. All PSA San Diego approving officials and purchase cardholders will receive ethics and standards of conduct training per agency and command policy prior to assuming their duties with the PSA San Diego Purchase Card Program.

5. STANDARDS OF CONDUCT. Employees of PSA hold a public trust; their conduct must meet the highest ethical standards. All employees shall use this card only to purchase supplies within the guidance of this program. Cardholders and approving officials acknowledge that making false statements on purchase card records may provide support for removing the employee from Federal service. The Government may punish wrongdoers by fine, imprisonment, or both, as stated in Section 1001, Title 18 United States Code. Unauthorized use shall have the meaning as set forth in footnote 22, Section 226.12, Title 12 Code of Federal Regulations.

6. CARD SECURITY. PSA San Diego purchase cardholders are responsible for the security of their purchase cards. The card is printed with the name of the employee who is the Official Government Representative authorized to use the purchase card. That person SHALL ONLY use the card.

It is the cardholder's responsibility to safeguard the purchase card and purchase card account number at all times. The cardholder must not allow anyone to use or gain access to his or her card or account number.

7. ESTABLISHING LOCAL ACCOUNTS. The Agency Program Coordinator is the command point of contact (POC) for establishing purchase card accounts.

a. Prior to establishing purchase card accounts for local command personnel, the APC will ensure that the prospective cardholder has received proper training in:

(1) Standards of conduct

(2) DON purchase card training (CD ROM classroom training; etc.)

(3) Internal operating procedures

b. Personnel wishing to become purchase cardholders shall:

(1) Provide a request to the APC (identifying any required account limits).

(2) Attend DON required training including training on local procedures. Contact APC for internal training requirements.

(3) Obtain a Letter of Delegation from the APC.

8. **CARDHOLDER ACCOUNT LIMITS.** PSA San Diego's use of the purchase card is subject to a single purchase limit, a monthly cardholder limit and a monthly office limit. The purpose of these dollar limits is as follows:

a. **Single Purchase Limit:** The single purchase limit is a limitation on the purchase authority delegated to the purchase cardholder by the Head of the Activity (or designee). This dollar limit cannot be exceeded, unless a revised delegation of authority is issued to the cardholder raising his/her limit.

b. **Billing Cycle Purchase Limit:** The billing cycle cardholder limit is the spending limit assigned the purchase cardholder's cumulative purchases in a billing cycle.

c. **Billing Cycle Office Limit:** The monthly billing cycle office limit is the limit assigned the approving official for the cumulative totals of the purchase cardholders reporting to them.

9. **INTERNAL PROCESSES.**

a. **Purchase Request Process.** PSA San Diego cardholders shall ensure that appropriate funding is verified by the Comptroller and available to meet the requirement of the purchase card action. If funds availability can be ensured for specific purchases or classes of purchases (i.e. office supplies, IS, etc.), a formal purchase request is not required.

b. **Screening.** PSA San Diego cardholders are required to screen all requirements from the statutory sources of supply (i.e. JWOD/UNICOR). In addition, the screening must be documented on manual or automated purchase card log.

c. **Solicitation Procedures.** PSA San Diego cardholders will solicit and evaluate price and delivery quotations from merchants and document in the manual or automated log.

d. **Award Procedures.** If the price is fair and reasonable, the cardholder may proceed to purchase the supplies or services. All purchase card awards shall be documented in the manual or automated log. Making an award with the Purchase Card may be accomplished as follows:

(1) **Over-the-counter transactions.** The cardholder can go to the vendor's location or place of business to make the purchase.

(2) **Over-the-phone.** The cardholder can call the vendor and order the supplies. The contractor can then deliver the supplies or prepare the order for government pickup if authorized.

(3) Via the Internet. Cardholders may place orders via the Internet. When purchasing/ordering via the Internet, cardholders should ensure that appropriate "account safeguarding" measures are taken. User identification, authentication and encryption of data are important factors in safeguarding cardholder information. The user should comply with the authentication and identification requirements (passwords, ID, PIN #, etc.) required by the commercial vendor the cardholder is acquiring the supplies from.

e. Whether the purchase is made over-the-counter, over-the-phone or via the Internet the following applies:

(1) The cardholder is responsible for "safeguarding" the security of his/her purchase card and account information. The card bears the cardholder's name and may only be used by he/she to purchase authorized supplies or services per this instruction, the GSA SMARTPAY Contract, PSA San Diego's internal operating procedures and the cardholder's delegation of contracting authority.

(2) In order to protect the integrity of the process, a minimum "two way" separation of functions is required when using the purchase card. If the cardholder is picking up the material at the contractor's location, the end user or designated receiving personnel should sign for final receipt. In the event the cardholder is the end user, another designated individual must sign receipt.

(3) Merchants should be instructed to not charge sales tax, unless the location of the merchant's business is in a state that does not afford the Federal Government a tax-exempt status under its state and local laws (e.g. Arizona, Hawaii).

(4) The cardholder shall ensure that any fee paid by the merchant is not added to the price of the items.

(5) The cardholder should remind the vendor that his/her purchase card account may not be billed until after the material has been shipped or service provided.

(6) Back ordering or delivering partial quantities should be avoided. If an item must back ordered or a partial quantity accepted, the merchant must agree to only bill for the actual quantity shipped.

(7) For ease of reconciliation, cardholders should ensure that all items are delivered or picked-up within the same billing cycle.

(8) Cardholders shall retain any documentation received from the vendor, as this will later be used to verify the transactions shown on the cardholder statement. This may include a charge slip, cash register receipt, packing list, etc. If for some reason the cardholder does not have documentation of the transaction, an explanation will need to be attached to the statement during the reconciliation process.

f. Unpriced services. Unpriced services cannot be obtained using the purchase card, unless the cardholder can establish in communication with the vendor a ceiling price that will not be exceeded. This authority is limited to services in which the commercial marketplace sets the market prices for services, and those market prices are identified in the cardholder documentation along with the established ceiling price (e.g. copier repair, fax machine repair, etc.).

g. Receipt and Acceptance Procedures. PSA San Diego cardholders are responsible for verifying

receipt of transactions before payment can be authorized. The cardholder must also certify that the quantity and quality of the items furnished are per the agreement with the vendor. The cardholder must save all receipt documentation in order to properly reconcile the purchase card statement at the end of the billing cycle. If receipt documentation is not available, the cardholder must contact the end user, central receiving department or other person or persons responsible for receipt to obtain verification that the supplies or services have been received. The purchase card log or purchase file must be documented to indicate that proper receipt and acceptance has been accomplished.

h. Missing Documentation. If for some reason the cardholder does not have documentation of the transaction to send to the approving official, he/she must attach an explanation that includes a description of the item, the date purchased, the merchant's name and why there is no supporting documentation.

i. Reconciling Purchase Card Accounts.

(1) Cardholders. PSA San Diego cardholders shall at the end of each billing cycle (the 21st of the month for DON cardholders) reconcile the transactions appearing on his/her monthly statements by verifying their accuracy against cardholder records. The cardholder shall review all information on the monthly statement, verifying any changes, credits, outstanding disputes or refunds. If transactions or credits are not included on the current statement, the cardholder must retain the applicable documentation until the transactions or credit appears and can be reconciled. The cardholder must then sign the statement and forward the package to the AO. If the cardholder is unable to review their statement in a timely manner, the AO or APC must review and certify the cardholder's monthly statement. The cardholder upon his return must review the monthly statement and resolve any discrepancies with the approving official or APC.

(2) Approving Official. The PSA San Diego Approving Official shall be the certifying officer for his/her cardholder's monthly invoice. The approving official/certifying officer is responsible for ensuring that all purchases made by the cardholder(s) within his/her cognizance were appropriate, charges accurate and per applicable regulations and instructions. He/she must resolve all questionable purchases with the cardholder. In the event an unauthorized purchase is detected, the approving official must notify the APC and other appropriate personnel within the command. After review, the approving official/certifying officer will sign the cardholders monthly statement and maintain the documentation per agency procedures. In addition, the approving official/certifying officer is responsible for certifying the monthly invoice resulting from the purchase/transactions of his/her cardholders. As the certifying officer of the purchase cardholder, the approving official assumes pecuniary liability for certifying duplicate or inappropriate charges resulting from purchase card purchases.

j. Billing Errors and Disputes.

(1) Cardholders should attempt to resolve all discrepancies or billing errors with the local merchant first.

(2) If a cardholder receives a monthly statement that lists a transaction for items that have not been received, he/she should do the following:

(a) Under "Pay and Confirm" procedures, confirm with the merchant that the items have been

shipped or are in the process of being delivered. Approve the statement charges and follow-up that the goods are delivered prior to the next billing cycle. If they are not delivered, the cardholder must dispute the charge on the next billing cycle.

(b) If the charges are not authorized or items have not been shipped, the purchase cardholder must dispute the charges. All charges must be disputed within 60 days of the receipt of the invoice on which the charge first appeared.

(3) Defective Items. If the items purchased are defective, the cardholder should attempt to obtain a replacement or correction of the item from the merchant as soon as possible. If the vendor refuses to replace or correct the defect or replace the item, the cardholder must put the item in dispute.

10. RESTRICTIONS OF THE USE OF THE PURCHASE CARD. See enclosure (3) of this instruction.

11. UNAUTHORIZED USES OF THE PURCHASE CARD.

a. PSA San Diego will not be liable for any unauthorized use of the purchase card. Unauthorized uses of the purchase card include the cardholder using the purchase card in a manner that exceeds his/her delegation of authority. Exceeding account limits, using the purchase card via a method not specifically authorized (i.e. via the Internet when not authorized), or purchasing an item not authorized under the merchant category code are all considered unauthorized uses of the card.

b. A cardholder who makes unauthorized purchases or who uses the card in an inappropriate manner may be liable to PSA San Diego for the total amount of the unauthorized purchases made in connection with misuse or negligence.

c. Unauthorized use of the card may also include the use of the card by anyone other than the cardholder identified on the front of the purchase card.

12. LOST OR STOLEN CARDS.

a. Telephone Notification. If a purchase card is lost or stolen, then PSA San Diego must immediately notify CitiBank Customer Service at (800) 790-7206.

b. Written Notification. In addition, on the next working day the cardholder must notify the APC and his/her approving official. The notification shall include the following information:

- (1) The card number,
- (2) The cardholder's complete name,
- (3) The date and location of the loss,
- (4) If stolen, date reported to police,

- (5) Date and time Citibank was notified,
- (6) Any purchases made on the card the day the card was lost/stolen,
- (7) Any other pertinent information.

13. SEPARATION OF CARDHOLDER. Upon separation from PSA San Diego, cardholders will notify his/her approving official of the expected date of leaving. In addition, prior to final departure from PSA San Diego, the cardholder will surrender his/her purchase card to the APC. The APC will notify CitiBank to have the account canceled.

**LIST OF PROHIBITED AND SPECIAL ATTENTION ITEMS
RELATED TO PURCHASE CARD BUYS**

Advance Payments

General rule: Except for requirements such as subscriptions for publications (i.e. Navy Times, Federal Contracts Reporter, Commercial Clearing House Inc., etc.) and Post Office Box rentals, advance payments are prohibited.

Advertising

General rule: Unless specific approvals have been obtained, advertising contract actions are not authorized in accordance with the Navy Acquisition Procedures Supplement.

Exception: The Chief of Naval Personnel has authorized an increase from \$1,000 to \$2,500 for the specific media advertising purchase limit for Commanding Officers of Navy Recruiting Districts to commensurate with the current micro-purchase threshold. This authority cannot be redelegated and each advertisement is conditioned upon the use of a properly executed DD Form 1535.

Asbestos and Asbestos-Containing Materials

General rule: Purchase cardholders are not authorized to purchase asbestos or asbestos-containing materials.

Black Oxide Coated Brass Threaded Fasteners (BOCBTFs)

General rule: Purchase cardholders are not authorized to procure brass or copper alloy fasteners coated with black oxide.

For information regarding this prohibition contact Mr. Scott Stanko, Naval Inventory Control Point, Code 0541, at 717-605-1361; DSN 430-1361 or via Internet: scott_a_stanko@icpmech.navy.mil.

Buildings and/or Land, Long-Term Rental or Lease of

General rule: Purchase cardholders are prohibited from entering into long-term rentals or leases for buildings and/or land.

Business Cards

General rule: Unless approval is obtained from a Flag Officer or member of the Senior Executive Service (SES) (requiring printing of business cards in the performance of official duties), purchase cardholders are prohibited from procuring business cards.

Centrally Managed Items

General rule: Purchase cardholders are not authorized to purchase centrally managed items.

Christmas and other Seasonal Decorations.

General rule: Seasonal decorations may be acquired using the purchase card provided local customs and traditions are observed. Purchase cardholders are not authorized to buy Christmas cards.

Coffee Pots, Coffee, “Refreshments”

General rule: Unless the purchase of coffee pots, coffee or refreshments is for an authorized mess, as discussed in NAVSUP Publication 486 Vol-1, Ch1 to Rev 3, and BUPERINST 1710.13, the purchase of these items are prohibited. Purchase cardholders are also prohibited from buying refreshments for other government employees.

Commercial Vehicles, Purchase of

General rule: Purchase cardholders shall not use their cards to purchase commercial vehicles.

Commercial or GSA vehicles, Rental/Lease of (without Drivers)

General rule: Purchase cardholders are not authorized to use their purchase cards to rent/lease commercial or GSA vehicles.

Employee Identification Tags

General rule: Unless the requiring activity/command determines that use of the identification tags are necessary and in support of mission requirements, activities may not use appropriated funds to purchase employee identification tags.

Federal Information Processing (FIP) Resources/ Year 2000 (Y2K) Project

General rule: Purchase cardholders should insure all procurements of Information Technology (IT) are Y2K compliant.

Fireworks Display

General rule: Purchase cardholders may not use appropriated funds to buy fireworks for on-ground displays.

Fuel, Oil, Services, Maintenance and Repairs

General rule: Purchase cardholders are not authorized to purchase fuel, oil, services, maintenance and repairs of IFMS and GSA Fleet Management Programs (i.e. repair of GSA leased vehicles).

Hazardous Material (HAZMAT) and Hazardous Waste Disposal

General rule: Except for commonly-used hazardous material or purchase by authorized HAZMAT personnel working in a designated Hazardous Material Center, the purchase of HAZMAT by cardholders is prohibited.

Incentive Music and Equipment

General rule: Except for specifically programmed music, the purchase of music and equipment for broadcasting (inc. radios, automatic record players or phonographic records) for entertainment purposes is generally not authorized.

Exception: Specifically programmed music may be purchased based on written determination by the Commanding Officer describing how the acquisition would improve morale, benefit the command, etc. and thereby qualify as a “necessary expense” under the necessary expense rules. This prohibition also does not preclude the expenditure of appropriated funds for the purchase of a public address system required for intra-station communication.

Lodging and Meals

General rule: Purchase cardholders are prohibited from using their purchase cards for the payment of lodging and meals for employees on temporary duty.

Luggage

General rule: Except for military seabags, the purchase of luggage for employees/service members to carry personal belongings while on travel orders is generally not authorized.

Medical and Dental Care From Civilian Non-Federal Sources

General rule: Purchase Cardholders shall not use their cards for payment of medical and dental services.

Membership Dues

General rule: Except for membership dues, which solely benefit the agency or activity, the purchase of club, association, organization, and other related memberships are prohibited.

Exception: The use of appropriated funds for membership dues of an activity or agency is permissible, if the membership contributes to the fulfillment of the mission of the activity or agency.

Ozone Depleting Substances (ODS)

General rule: Purchase cardholders are not authorized to purchase ODS materials.

Exception: Contracting Officer's may use their purchase card as a method of payment provided guidance in the NAPS is strictly adhered to.

Personal Services

General rule: Unless you have statutory authority, purchase cardholders should not contract for personal services using the purchase card.

Pesticides

General rule: Unless prior approvals are obtained from cognizant Pest Management Consultant at the appropriate NAVFAC division, purchase cardholders are not authorized to contract for purchase of pesticides.

Plaques, Ashtrays, Paperweights, and other Mementos as Give-Away Items

General rule: The use of appropriated funds to buy give-away items such as plaques, cuff links, hats, T-shirts, license plate covers, bracelets, ashtrays, Christmas cards, paper-weights, cigarette lighters, novelty trash cans, key chains and similar items are generally prohibited.

Printing and Duplication

General rule: Purchase cardholders are prohibited from buying printing or duplication services from agencies other than Defense Automated Printing Service (DAPS).

Purchase from Government Employees or Businesses Owned or Controlled by Government

General rule: Purchases from government employees (military or civilian) or from business organizations substantially owned or controlled by Government employees are generally prohibited.

Reprographic Equipment

General rule: Unless the requirements in NAVSUPINST 4200.85D are met, the purchase/lease/rental/trial/replacement or change in rental or lease plan of reprographic equipment is not authorized.

Sensitive Compartmented Information in Contracts

General rule: Purchase cardholders are not authorized to enter into negotiations that will include requirements for contractor access to Sensitive Compartmented Information (SCI) unless the customer has staffed the requirement through Commander, Office of Naval Intelligence (ONI) (Code ONI-532).

Shipboard Habitability Equipment, including Furniture, Laundry/Dry Cleaning and Food Service Equipment

General rule: Except for furniture, laundry, and dry cleaning and food service equipment listed in the following catalogs, purchase cardholders are prohibited from purchasing of these items.

Furniture equipment – S9600-AD-GTP-010, US Navy Shipboard Furniture Catalog, with applicable changes.

Laundry/dry cleaning equipment – S6152-B1-CAT-010, Navy Laundry and Dry Cleaning Catalog, with applicable changes.

Food service equipment – S6161-Q5-CAT-010, The Shipboard Food Service Equipment Catalog, with applicable changes.

Transportation

General rule: The purchase card cannot be used to pay for transportation charges.

Travel or Travel Related Expenses

General rule: The purchase card cannot be used to pay for travel or travel related expenses (i.e. expenses associated with official travel, including transportation, lodging, or meals).

Uniform Items

General rule: Cardholders are not authorized to use appropriated funds to purchase uniform items.

Visual Information (VI) Equipment and Material

General rule: Per OPNAVINST 5290.1A, acquisition of professional VI equipment by non-VI activities or personnel is prohibited.

Naval Media Center (formerly Naval Imaging Command) is the sole authority for contracting for visual information within the Navy. The point of contact and Policy Officer for the Navy Annual VI Production Program administered by CNO (NO9C4) can be reached by calling 202-433-3790 or DSN 288-3790.

Visual Information-Audiovisual Production including Interactive Video Acquisition

General rule: Unless approval has been granted from Naval Media Center (NMC), the acquisition of Audiovisual (AV) production including interactive Video (IVD) in the Federal Government is prohibited, regardless of cost or application.

Exceptions: DON activities may be approved by CNO (N09C4) on a case-by-case basis. Requests for exceptions to this policy will require submission of the approved instructional system development analysis. For major claimant -Visual Information Management Offices, contact: Visual Information Production Policy Officer, CNO (N09C4) at 202-433-2141; DSN 288-2141.

Visual Information-Acquisition of Commercial Off-the-Shelf Visual Information Productions

General rule: Unless prior approval from Visual Information Management Office is obtained, purchase cardholders are not authorized to procure commercial off-the-shelf Visual Information (VI) production. For a list of VI off-the-shelf productions, visit the Defense Automated Visual Information System/Defense Instructional Technology Information System (DAVIS/DITIS) located on the Naval Media Centers website: <http://www.mediacen.navy.mil/>

Exceptions: Justification must be submitted to contracting officials per regulations of the Major Claimant Visual Information Management Office (MCVIMO). For major claimant Visual Information Management Offices, contact: Visual Information Production Policy Officer, CNO (N09C4) at 202-433-2141; DSN 288-2141.

Withdrawal of Tax-free and Specifically Denatured Alcohol

General rule: The purchase of tax-free and specifically denatured alcohol is not authorized, unless a permit from the Bureau of Alcohol, Tobacco and Firearms has been issued.